

INTRODUCTION

Strategic Plan Purpose and Process

Why Tourism?

Tourism contributes nearly \$3 billion in new money to Montana's economy from expenditures of nonresident visitors. Total tourism expenditures nearly doubled from 1995 to 2005 (\$1.36 billion to \$2.7 billion), and the industry continues to grow at a healthy pace.

2006 Montana Tourism Fast Facts

- ◆ Nonresident visitors: 10.37 million
- ◆ Expenditures: \$2.9 billion

2005 Visitors vs. 2001 Visitors

- ◆ Longer length of stay in 2005 by approx. ½ day
- ◆ Slightly larger travel group sizes
- ◆ More visitors with higher incomes

Strategic Plan Purpose

The purpose of this Tourism and Recreation Strategic Plan is to:

- ◆ Serve as a blueprint for a strategic, integrated approach to tourism development and marketing
- ◆ Confirm priorities to focus resources
- ◆ Balance Montana's tourism promotion efforts, products, and partnerships
- ◆ Assign responsibilities for implementation
- ◆ Identify funding sources to pay for actions
- ◆ Measure results and return on investment.



Tourism as Economic Development

Tourism attracts new revenues and business investment in Montana through promoting a positive image of the state, showcasing its quality of life and people, and generating increased visitor spending.

"Economic Development" is happening when:

- ◆ The standard of living is increasing.
- ◆ A "real" increase in the level of average household income is occurring.
- ◆ The local tax base is meeting the escalating cost of government services.
- ◆ Business and industry is investing more in the community than they are "costing" the community.

As with all forms of economic development, the process of tourism development is facilitated through:

- ◆ Development of a skilled workforce
- ◆ Investment in the physical infrastructure
- ◆ Creation of new jobs at higher wages
- ◆ Improvement of the business environment
- ◆ Availability of marketable land and buildings
- ◆ Protection of the environment
- ◆ Improvement of the quality of life
- ◆ Effective marketing and promotion.

In most communities, 75% of businesses depend on wealth attracted from outside the community by 25% of businesses with national and global markets – including tourism businesses. Tourism helps fund support services and attractions that benefit Montanans' quality of life. It also provides a means for social exchanges between Montanans and visitors, to share experiences, meet new people, and learn about each others' lives.

Tourism is an essential component of Montana's economy and quality of life. This Strategic Plan provides the road map to tourism development and promotion from 2008 to 2012.

Planning Process

The Montana Tourism & Recreation Strategic Plan process began in October 2006, and was (will be) completed in September 2007. The process included five phases:

1. Information-gathering
2. Development of draft strategies and actions
3. Refinement of strategies and actions
4. Draft strategic plan document
5. Completion of final strategic plan document

The final Strategic Plan document was (will be) adopted at the October 2007 Tourism Advisory Council meeting.

The development of the Strategic Plan included extensive outreach and input from tourism and recreation stakeholders and the public. Specific activities to engage stakeholders included the following:

Montana Tourism Strategic Plan Stakeholder Outreach Activities

	2006		2007								
	Oct	Nov-Dec	Jan	Feb	Mar	Apr	May	Jun	Jul-Aug	Sep	Oct
Alignment Meeting with Travel MT, Regions, CVBs, State/Federal agencies											
Public Workshops (7 statewide)											
Interviews											
Meetings with TAC, MTRI, MTTA (Tourism Advisory Council, MT Tourism & Recreation Initiative, MT Tribal Tourism Alliance)											
Statewide Survey of Stakeholders											
Governor's Conference (general and breakout sessions)											
Public Comments											

PHOTO FROM PUBLIC WORKSHOP

PHOTO FROM GOVERNOR'S CONF.

Planning Participants

The following are Montana citizens and organization representatives who participated in the process of developing the 2008-2012 Montana Tourism Strategic Plan. This list does not include 756 stakeholders who participated in the statewide survey for the Tourism Plan.

Tourism Advisory Council

Cyndy Andrus, Bozeman CVB
 Dyani Bingham, Coordinator, MTTA
 Mark Browning, Custer County Art & Heritage Center
 Ed DesRosier, Sun Tours
 Rhonda Fitzgerald, Garden Wall Inn
 Beverly Harbaugh, Sandcreek Clydesdales Ranch
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 Gayle Fisher, Russell Country
 Marne Hayes, Big Sky CVB
 Jim Hollenback, Glacier Country
 Robin Hoover, Yellowstone Country
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MTRI Directors Group and Working Group

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 Richard Sims, Director, Montana Historical Society
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 Lynn Zanto, MT Dept. of Transportation
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 Sydney J. Eastman, Tour Coordinator
 Brenda Grinsell, Northern Cheyenne
 Richard Hopkins, BLM, Tribal & L&C Coordinator
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 Nancy Mahon, Wyoming Innovation
 Buster Moore, Voc.-Rehab
 Dolores Plumage, Blaine County Commission
 Jodi Running Fisher, Blackfeet Tribe
 James Parker Shield, Little Shell Tribe
 Craig Smith, Ft Peck C.C.
 Michael Sweeney
 Lola Wippert, Blackfeet Tribe

ADD FOR FINAL VERSION: PUBLIC MEETING PARTICIPANTS, OTHER ASSISTANCE

TOURISM AND RECREATION TRENDS

Major Trends Affecting Montana's Economy and Tourism

Nine key trends are affecting Montana's economy – and therefore affecting tourism.

delivery of fresh seafood and flowers, and the latest computer and recreation equipment.

1. Global economy

In his book *The World is Flat*, Thomas Friedman highlights the interconnectedness of global communications, businesses, financial markets, trade relationships, and economies. As one of the world's largest industries, tourism is a major part of the global economy, with expanding customer markets and increasing competition from new destinations. Montana businesses must have a global perspective to compete in a global market. Increasing competition and more affluent travelers raise expectations about products and services offered by destinations. Today's travelers seek authenticity, but with amenities.

4. Shift to services

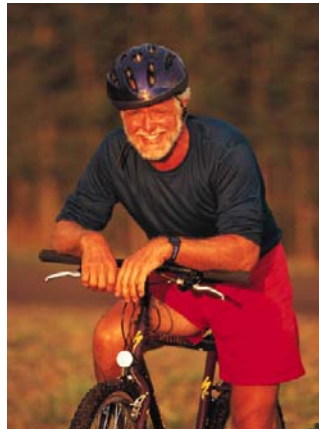
The fastest growing sectors of the U.S. economy are services, including professional and information services, and travel and recreation-related services. Tourism and related services are projected to continue positive growth, requiring a trained workforce with good communication skills and judgment.

5. Small business dominance

New growth is dominated by small businesses, including growth in the tourism and recreation industry. Support services and resources for small business development is crucial to successful economic development.

2. Knowledge-based economy

Information and technology are the commodities of the 21st century. Technology has transformed the way people receive, process and use information – including the way they plan and experience travel. The tourism industry will continue to be at the leading edge of application in new technologies. Technology allows people to travel more frequently and remotely while staying connected to the world. Technology also enables businesses that support tourism to operate from rural areas, creating new jobs outside their traditionally urban locations.



6. Focus on workforce and education

The fast pace of change in the global economy and customer markets requires workers to have opportunities for life-long learning. More sophisticated travelers require tourism and recreation workers to understand the world outside their state – and outside the U.S., and how to use new information and technologies.

3. E-manufacturing

Communications technology allows businesses to produce various components of goods from multiple locations seamlessly. This capability enables industries – including tourism – to respond quickly and cost-effectively to changing customer tastes and preferences. Global transportation networks improve the availability of “just-in-time”

7. Aging population

Every day in the U.S., 11,000 people turn 50. As the active Baby Boomer generation retires, and their parents live longer, new services and experiences will be in demand. The Boomers also represent a potential resource for workers, trainers, and business experience, if tourism organizations find creative ways to tap this resource.

8. Quality of life

Organic, green, sustainable, natural. People seek high quality lifestyles that include balance between work, family and leisure time, and a beautiful place to live. For this

reason, the population of the Interior West rose by 400,000 from 2000 to 2005. People are moving inland to escape the rat race, and Montana is a desirable destination. The newcomers seek quality of life, outdoor recreation, and vacation or retirement homes. Most are age 40-50, and many are former Montanans “coming home.” Montana’s population increased by 33,475 from 2000 to 2005, and is projected to grow another 33,000 by 2010. However, this is very moderate growth compared to neighboring states that are experiencing growth rates of 5,000 new residents per year in a single county.

9. Regionalism

In a global economy, no company, community, or state is an island. Success depends on partnerships and collaboration, and nowhere is this more important than in the tourism and recreation industry. Partnerships between communities, between different types of organizations (private-public-tribal-nonprofit), between regions, and between states, are essential to leverage resources and compete effectively in a global tourism marketplace.

National and Global Tourism and Recreation Trends

From 1992 to 2004, world tourism rose 52%. International visits to the U.S. are growing 5-7% per year, primarily from Canada, Mexico, the U.K., Japan, and Germany. More Chinese are traveling: 27 million traveled abroad in 2004, and the number is projected to be 100 million in 2020, along with 50 million travelers from India. However, as competition for the tourist dollar increases, the U.S. share of the total global tourism market declined by 36%.

Therefore, highly targeted and effective tourism promotion efforts are necessary to remain competitive.

In the U.S., 75% of travel is by car, 16% by air (although 38% of business travel includes air). One-in-four Americans visit a national park annually, and 20% visit a national forest. While leisure travel is growing, business travel has declined due to the use of technology for meetings. But the non-business sector of meetings and conferences continues to grow.

In 2007, safety and fuel prices remain major factors in travel decisions. Heritage and cultural travel is the fastest growing segment of the tourism industry (80% of adult travelers include an historic or cultural activity on their trip), and there is growing interest in American



Indian cultures. Cuisine is increasingly important in travel decisions (good restaurants, wineries, etc.). Shopping is the most popular domestic trip activity.

Travelers seek places and experiences that are authentic: downtown shopping districts are preferred by more tourists (49%) than malls (27%) or department/box stores (26%). Therefore, destinations must avoid becoming “Generica” – the

homogenization of communities and landscapes (“If the destination looks just like home, why go?”).

Hotel rates are rising, particularly in the upscale category. The national average daily hotel room rate (ADR) is \$96 (\$177 in the upscale/luxury category). The year-round hotel occupancy rate is 64%, and the fastest growth in new hotel development is in the midscale limited service and upscale/luxury categories.

In 2006, RV shipments were the highest since 1978, despite fuel prices. Most RV buyers are Boomers, but the 35-54 age group is the fastest growing segment of new RV owners. One-in-ten RV owners desires to visit Montana.

Montana Tourism and Recreation Trends

Over the past decade, Montana has experienced steady growth in both the number of nonresident visitors, and tax collections from lodging sales.

The graph at right shows growth in the number of nonresident visitors from 1995 to 2006. The chart at the lower right shows the increase in Montana's statewide 4% lodging tax for tourism from \$12.4 million in 2002 to nearly \$16 million in 2006.

The largest share of lodging sales is in the second and third quarters (April-Sept). Increased growth rates in 2005 and 2006 were due, at least in part, to Lewis & Clark Bicentennial events around the state, and increased visitation because of them. Montana has an additional 3% tax on lodging and car rentals that supplements general fund revenues (as of 2007).

New Lodging Development

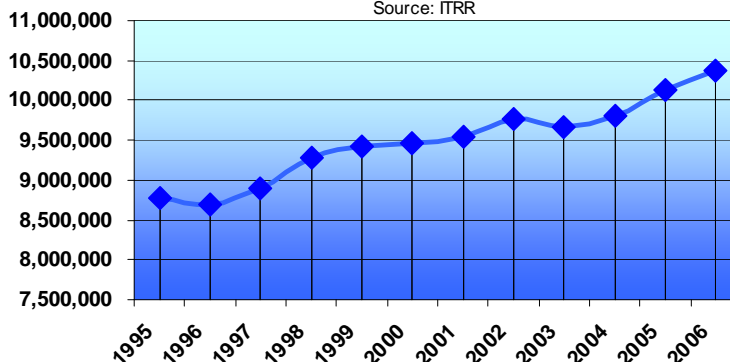
From 2002 to 2006, overall lodging sales rose 28%. During that approximate same time frame, more than 100 new lodging properties were built in Montana. More new lodging is planned over the next few years, primarily in the categories of upscale properties (1,526 more rooms) and midscale limited service properties (597 more rooms).

Tax Collections 2002-2006

<u>Yellowstone Country</u>	<u>32%</u>
W. Yellowstone CVB	24%
Bozeman CVB	42%
Big Sky CVB	31%
<u>Custer Country</u>	<u>14%</u>
Billings CVB	5%
Miles City	77%
<u>Missouri R. Country</u>	<u>29%</u>
<u>Glacier Country</u>	<u>34%</u>
Kalispell CVB	31%
Missoula CVB	22%
Whitefish CVB	43%
<u>Gold West Country</u>	<u>29%</u>
Butte CVB	25%
Helena CVB	36%
<u>Russell Country</u>	<u>24%</u>
Great Falls CVB	28%

Montana Nonresident Visitors 1995-2006

Source: ITRR



Hotel Occupancies and Average Daily Rate

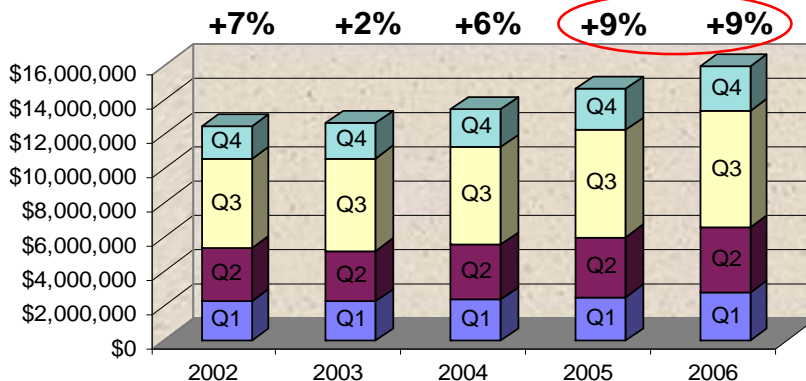
In 2006, the year-round hotel occupancy rate statewide was about 60%, lower than the national average of 64%. The average daily room rate, or ADR, in September 2006 was \$68 (much lower than the national ADR of \$96). Occupancy rates and ADR in Montana are significantly impacted by seasonality. More focus is needed on niche markets and group and event business in off-peak seasons to raise year-round tourism revenues.

4% Lodging Tax Collections 2006

<u>Country</u>	<u>Amount</u>	<u>% Ttl</u>
Glacier Country	\$4,906,788	31%
Yellowstone Country	4,733,465	30%
Custer Country	2,622,790	16%
Gold West Country	1,944,977	12%
Russell Country	1,443,157	9%
Missouri R. Country	278,648	2%
Montana	\$15,929,825	100%

Montana Lodging Tax Collections 2002-2006

(Lewis & Clark)



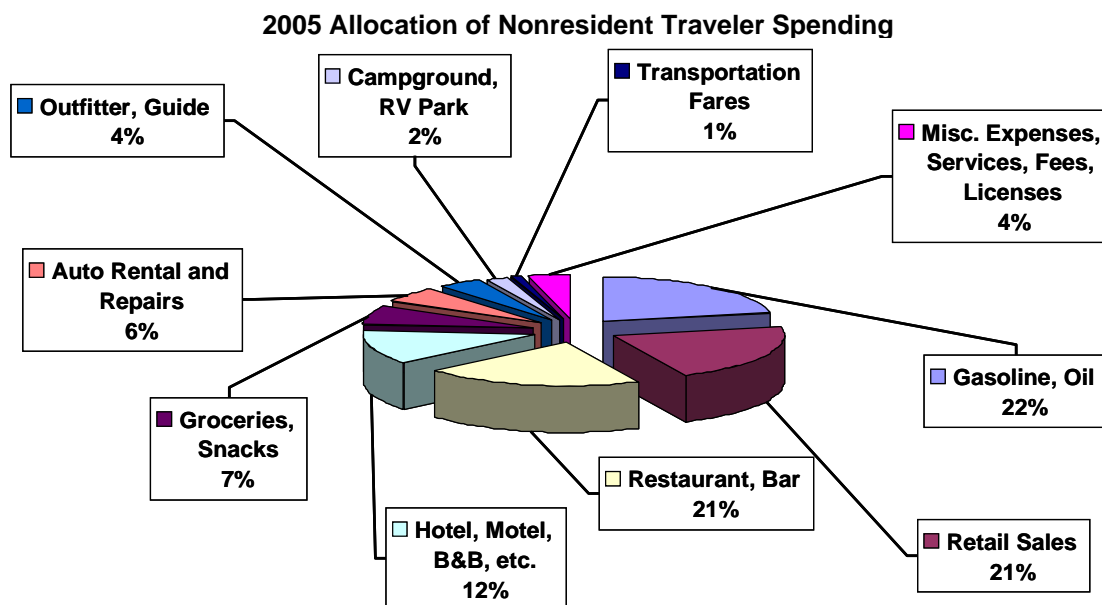
Changes in Traveler Types 2001 to 2005

According to research by the University of Montana Institute for Tourism and Recreation Research (ITRR), there have been several significant changes in the types of travelers visiting Montana. Statewide traveler surveys conducted in 2001 and 2005 revealed the following:

- ◆ From 2001 to 2005, the number of Vacation travelers declined by 473,480, from 41% to 34% of all nonresident travelers. Vacation travelers are defined as those whose primary reason for traveling to Montana was vacation, so this finding may indicate that ***Montana is losing market share to its competitors*** in the destination vacation market.
- ◆ The number of Pass-thru travelers increased from 24% to 27% of all travelers, again indicating that Montana is the main destination for a fewer share of the travelers.
- ◆ The number of travelers who are Visiting Friends and Relatives (VFR) increased from 14% to 19% of all travelers. Additionally, the percentage of overnights spent in commercial lodging declined 4% among all travelers, but the percentage of overnights spent at the homes of friends/family rose 8%. Both of these findings are perhaps influenced by the increased number of second and vacation homeowners in Montana.
- ◆ The percentage of travelers who earn \$100,000 or more rose by 7% from 2001 to 2005, indicating an increase in more affluent travelers (which is related to the increase in overall tourist spending).
- ◆ More travelers flew to Montana: the percentage of travelers who flew to Montana was 30% in 2005, vs. 19% in 2001, again reflecting more affluent travelers, and perhaps vacation homeowners.
- ◆ International visitation also rose by 60,000+, as Canadian and European travelers continue to visit Montana in larger numbers.
- ◆ The number of visitors from Idaho and Wyoming increased, perhaps due to the number of new residents in those states, and the trend of people traveling closer to home after 9/11.

Traveler Spending Benefits All Montanans

The chart below shows the 2005 breakdown of the nonresident tourist dollar in Montana. The sectors that benefit most are Gasoline and Oil, Retailers, and Restaurant & Bar – categories which do not generate sales taxes from nonresident travelers in Montana. However, business sales in these categories improves business profitability, creates jobs, and generates income and property taxes that benefit Montana residents and communities.



Montana Transportation Trends

Commercial airline enplanements in Montana rose 10% from 2002 to 2006. New flights from Denver, Chicago and Las Vegas were added to Montana airports in 2007. Amtrak passengers also increased from 2001 to 2005, by 17% (117,850 to 142,783), as shown in the chart below. The Whitefish station had the most Amtrak passengers, followed by Havre, Shelby, and Glacier Park.

There are 87 highway traffic counters throughout Montana. Data collected from counters on routes most frequented by nonresident travelers reflected **INSERT ANALYSIS OF MDT DATA WHEN COMPLETED**. Additionally, during the peak tourist season of May through September, the number of travelers served by visitor centers in Montana grew by 13% from 2002 to 2006.

Parks Visitation Trends

Glacier and Yellowstone National Parks continue to be Montana's largest tourism attractions. Overall visits to the seven National Parks in Montana increased by 6% from 2001 to 2005, although the overall growth was due to Glacier and Yellowstone, because the other parks experienced declining visitation:

Glacier National Park	+15%
Yellowstone Nat'l Park	+3%
Big Hole Battlefield	-3%
Ft. Union Post	-13%
Grant Kohrs Nat'l Park	-13%
Bighorn Canyon	-19%
Little Big Horn Battlefield	-2%

Visits to the nine National Forests in Montana exceed 9 million annually, and most of those visitors are Montanans.

Visits to Montana State Parks grew 30% from 2001 to 2005, from 1.34 million to 1.75 million. However, most of the increase was Montana residents, who represented 70% of the visitation in 2003, and 79% in 2005. This was due in part to the elimination of day use fees for Montana residents.

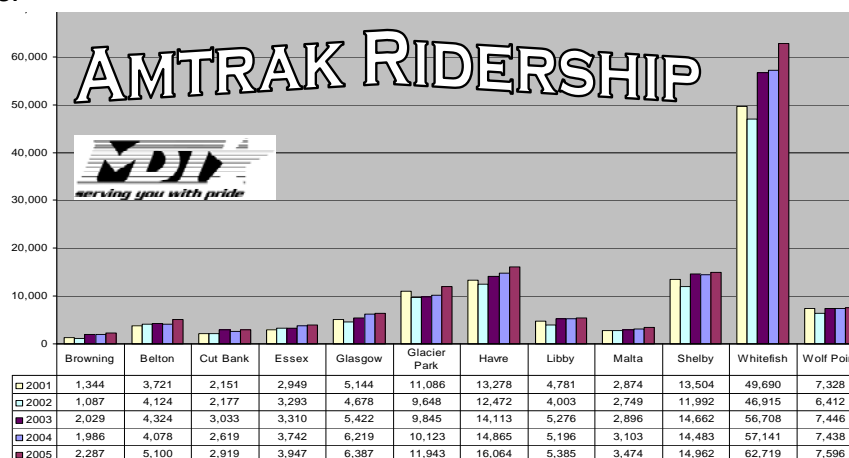
Fishing and Hunting Trends

Meanwhile, use of fishing access sites declined from 2001 to 2005. In 2003, 53% of all fishing license purchasers were Montana residents (227,562, representing 33% of all adult Montanans), and 47% were non-residents (200,647). However, nonresidents represented only 29% of total angler days (800,723), while Montanans represented 71% of total angler days.

Montana has the highest level of resident participation in hunting in the U.S., with about 39% of adult male residents and 13% of adult female residents purchasing a hunting license annually. In 2003, 74% of all hunters in Montana were residents, and only 26% were nonresident hunters.

Skier Visit Trends

Fifteen Montana ski areas reported an overall increase in visits of 9% from the 1998-99 season to the 2005-06 season. The number of skiers declined 18% from 2003-04 to 2004-05, then rebounded 30% in 2005-06 from 2004-05. The 2005-06 season was the largest in Montana history, due to abundant snow, an increase in resident skiing and snowboarding, and effective promotions targeting the Seattle and Minneapolis markets.



Montana Strengths and Opportunities

Key strengths that make Montana a desirable tourism destination are the following:

- ◆ Outstanding natural and cultural attractions: mountains, open landscapes, rivers, lakes, forests, fossils, historic trails, Indian culture and events, museums, interpretive centers, etc.
- ◆ Positive image in consumers' minds.
- ◆ High quality visitor facilities with available capacity: hotels, resorts, ski areas, visitor centers, restaurants, shops, theaters, galleries, parks and recreation facilities, spas, etc.
- ◆ Year-round recreational activities: scenic driving, hiking, biking, fishing, hunting, skiing, rafting, snowmobiling, golf, horseback riding, wildlife viewing, etc.
- ◆ Historic, cultural and sporting events: reenactments, pow wows, concerts, festivals, tournaments, triathalons, etc.
- ◆ Friendly people that enhance the travelers' experiences.
- ◆ Transportation system that includes good highways, rest areas, airports, and Amtrak, plus new transit service.
- ◆ Affordability of Montana as a destination, particularly with a weak U.S. dollar
- ◆ Education and workforce training programs: SuperHost, university tourism and recreation degree programs, culinary school, Small Business Development Centers, tourism workshops, etc.
- ◆ Dedicated public funding for tourism development and marketing programs.
- ◆ Tourism research that provides current market data to the tourism industry.
- ◆ Suppliers and support services based in Montana, featuring Montana products.



Opportunities for Montana as a tourism destination include the following:

- ◆ Consistent brand and messaging for powerful marketing impact.
- ◆ Variety of products that can be promoted to niche markets, particularly in off-peak seasons.
- ◆ Leveraging of private and public marketing dollars for greater reach.
- ◆ Measurement of results of marketing efforts, and strategic adjustments to methods based on results.
- ◆ Increased visibility for Montana's lesser known visitor attractions and facilities.
- ◆ Regional fam tours for visitor center and front-line employees to increase cross-promotion and visitor length of stay.
- ◆ Development of vacation packages that weave together diverse activities to capture interests of everyone in a travel party, such as quilting or artisan tours linked to outfitted fishing trips.
- ◆ Expansion of Montana's Main Street program to increase vitality of historic Downtown districts and attract visitors.
- ◆ Elderhostel programs and activities for RVers.
- ◆ Non-business conferences/trade shows, especially during off-peak seasons.
- ◆ Re-energize Montana's Hands of Harvest and Made/Grown-in-Montana programs, linking agritourism, craftsmen, restaurants and retailers with travelers.



Montana Weaknesses and Threats

Key weaknesses for tourism in Montana are the following:

- ◆ Distance to Montana from major customer markets
- ◆ Lack of traveler awareness about Montana attractions and amenities
- ◆ Misperceptions about Montana (melting glaciers, fires, dangerous animals, no amenities, etc.)
- ◆ Difficulties with marketing year-round travel due to weather, road conditions
- ◆ Off-peak season closures of attractions and services
- ◆ Transportation (cost and availability of flights, lack of public transit services)
- ◆ Lack of information provided to CVBs and tourism regions about groups booked (to measure results of marketing efforts)
- ◆ Workforce availability and skills – problems with seasonal workforce (see survey results table below)
- ◆ Inadequate services in some locations (lodging, store hours, signage, meeting space, public restrooms).

Threats to tourism in Montana are the following:

- ◆ Increasing competition from other states, countries
- ◆ Rising costs and declining availability of revenues to fund public infrastructure, facilities, and amenities
- ◆ Declining federal budgets for National Parks, Forests, Wildlife Refuges, and transportation
- ◆ Changes in federal/state policies related to use of public recreation lands
- ◆ Diminishing access to public and private lands for recreation
- ◆ Increasing fuel/energy prices
- ◆ Lack of growth management to preserve unique character of Montana landscapes and communities
- ◆ Lack of resources to preserve community history and culture
- ◆ Competition among industry partners in Montana; inability to pursue a common vision for tourism and recreation.

“We have seen the enemy -- and he is us!”

Survey Results Related to Tourism Workforce Problems in Montana

1=Not At All a Problem, 5=Very Much a Problem

	Mean	#
Lack of qualified workers/volunteers	3.2	220
Avail. of affordable housing	3.1	172
Work ethic of workforce	3.0	197
College, university calendar year	3.0	210
High school calendar year	2.7	165
Substance abuse issues	2.1	162
Immigration issues for guest workers	2.1	94



MARKETS FOR TOURISM AND RECREATION

Current Visitors to Montana

According to the 2005 Montana Nonresident Traveler Survey completed by the University of Montana Institute for Tourism and Recreation Research, the characteristics of nonresident travelers in Montana are the following:

- ◆ Nearly half (49%) of nonresident travelers in Montana are from surrounding states and provinces: WA 12%, ID 10%, WY 8%, ND 5%, UT 5%, ALB 5%, SD 2%, B.C. 1%, SASK 1%.
- ◆ Other key states of origin are California (7%), Colorado (4%), Minnesota (4%), Oregon (3%), and Texas (3%), along with 2% each from Arizona, Florida, and other Midwest states (IL, MI, WI).
- ◆ About one-third of travel parties (32%) are couples, 27% are traveling alone, one quarter (25%) are traveling with immediate family members, and 7% are traveling with friends.
- ◆ 83% had visited Montana before; in fact, one-in-five are former Montana residents. Fifty-three percent had been to Montana more than five times in the past 10 years, and 6% own a vacation home in Montana. Four percent were interested in buying property in Montana.
- ◆ 27% earn \$100,000 or more annually, and another 32% earn \$60,000-\$99,999. Only 6% earn less than \$20,000 annually.
- ◆ 34% of travelers were in Montana primarily for vacation. Another 27% were just passing through, and 19% were primarily visiting family or friends. Thirteen percent were on a business trip, and 2% were in Montana for shopping.
- ◆ The most visited sites in Montana were Yellowstone National Park (32% of travelers visited), Glacier National Park (20%), State Parks (13%), Little Bighorn Battlefield (9%), and Virginia/Nevada City (5%). Other important attractions to travelers on vacation were mountains/forests, open spaces, rivers, family/friends, lakes, wildlife/fish, Lewis & Clark sites, Montana history/culture, and Indian history/culture.
- ◆ The most popular activities of travelers were the following:

○ Driving for pleasure	45%
○ Wildlife watching	32%
○ Shopping	26%
○ Day hiking	23%
○ Picnicking	20%
○ Visiting historic sites	19%
○ Visiting Lewis & Clark sites	14%
○ Visiting museums	14%
○ Fishing	11%
○ Nature study	11%
○ Camping (developed)	10%
○ Visiting Indian sites	10%
○ Festivals/events	8%
○ Gambling	6%
○ Camping (undeveloped)	5%
○ Rafting/floating	5%
○ Horseback riding	5%
○ Birding	5%
○ Skiing (downhill)	5%
- ◆ The tools used for planning their trip were the Internet (43% used it to plan), national park information (20%), auto club (18%), guidebooks (10%), business information (9%), Montana Travel Planner (8%), travel article (7%), chamber/visitor bureau info (6%), and state park info (4%), and state toll-free travel number (2%). Fourteen percent of travelers used other sources, and 30% used no information sources.
- ◆ While in Montana, nearly two-thirds of travelers (63%) used highway signs for travel information, 54% asked a service provider, 40% used a brochure rack, more than one-third (34%) read a billboard, more than one-in-four (26%) stopped at a visitor center, and 23% asked other travelers.

Current Target Markets

The 2003-2007 Montana Tourism and Recreation Strategic Plan identified demographic and geographic target markets for state tourism promotion efforts.

State Target Markets

Before identifying target markets, the 2003-2007 Tourism Plan first developed the following criteria for determining targets:

- ◆ Likely to have a positive image of, and a strong interest in Montana as a destination
- ◆ Propensity to spend more per trip than other segments
- ◆ Tendency to enjoy more developed attractions and destinations, rather than backcountry assets
- ◆ Low-impact, in terms of likelihood to compete with Montanans for outdoor recreation experiences
- ◆ Likely to participate in high-value outdoor recreation (skiing, golf, guided adventures/fishing/hunting)
- ◆ Inclination to travel during shoulder seasons
- ◆ Accessible to Montana via 1-2 day drive or reasonable air service connections
- ◆ Interest in history/culture/Lewis & Clark

As a result of the above criteria, the *top priority* demographic and geographic targets identified in the Plan are the following:

Demographic Market Segments

- ◆ Mature travelers, income \$75,000+, interested in history/culture/arts, soft adventure, golf, skiing, scenic attractions
- ◆ Couples, income \$75,000+, interested in history/culture/arts, casual urban amenities and entertainment, resorts, events, guided adventures, skiing, scenic attractions
- ◆ Conventions & meetings, esp. non-business (associations, research/education, religious), and business linked to Montana (ag, forestry, mining, etc.)
- ◆ Heritage/cultural travelers, esp. Lewis & Clark “buffs”, income \$75,000+, interest in history/culture/arts, dining, shopping, reenactments, museums, historic sites
- ◆ Families with children, income \$75,000+, interested in destinations with age-appropriate activities for kids, entertainment and safe adventures

- ◆ Guided Adventurers, income \$75,000+, (vs. do-it-yourself adventure travelers)

Geographic Market Segments

- ◆ Nearby states/provinces (WA, OR, ID, NV, UT, CO, WY, SD, ND, SASK, ALB, BC) for year-round weekend getaway packages, conventions & meetings, metro skiers
- ◆ California for destination vacationers: couples, matures, heritage/culture, adventure, skiers
- ◆ Arizona/Texas for matures, couples, high value VFR travelers
- ◆ Midwestern states (MN, WI, MI, IL, OH, MO) for couples, families, matures, VFR, heritage/cultural/L&C, skiers
- ◆ Eastern metro markets (NYC, DC, Boston, Atlanta, Philadelphia, Charlotte, Orlando, Tampa) for destination vacationers: couples, heritage/cultural/L&C, matures, adventurers
- ◆ Europe, for couples, families interested in American West, guided adventures, scenic driving, culture, events & festivals
- ◆ Montana, to encourage Montanans to spend their leisure travel dollars at home.

Region & CVB Target Markets

The current target markets for regions and CVBs are the following:

Demographic Market Segments

Families
Empty Nesters/Active Mature
Outdoor Enthusiasts (age 35+)
Meeting/Conventions/Tour Groups
Heritage/History
Travel Writers
Adventure 19 to 30 year olds
Campers
Business Travelers
Women

Geographic Targets

Primary: WA, CA, CO, OR, SD, ND, ID, WY
Secondary: MN, IL, TX
(Note: only half target SD, ND, ID, WY)

Potential Niche Markets

As travelers increasingly seek destinations with activities specific to their interests, niche markets are a key to successful tourism marketing. Experiences must be tailored to specific traveler segments, with customization of tourism products such as niche itineraries and packages.

The box at right shows the results of a question on the statewide survey of tourism and recreation stakeholders that asked which of the niche markets were important to the respondent. The percent represents the percentage of survey respondents who indicated that a particular niche segment was important to their business or organization.



Survey Respondents' List of Important Niche Markets

<u>Niche Markets</u>	<u>Percent</u>
Wildlife viewers	71.9
Anglers	70.5
Photographers	68.4
Adventure travelers	68.1
Scenic drivers	62.3
Cultural and heritage travelers	61.4
Bird watchers	58.8
Hunters	56.7
Weddings, reunions	54.6
Geo/eco-tourists, wilderness visitors	53.9
Skiers, snowboarders, snowshoers	41.2
RVers or campers	41.2
Snowmobilers	37.0
Geologic, scientific travelers/groups	36.8
Golfers	36.5
Education travelers, Volun-tourists	32.8
Elderhostel groups	28.1
Snowbirds	26.9
Geocachers, tech-savvy travelers	25.1
Team-building, affinity groups	24.8
Dinosaur buffs	24.4
Home school groups, educational tours	23.7
Train buffs	22.0
Private pilots associations, clubs	21.5
Pow wow competitors, musicians	18.5

Priority Target Markets for 2008-2012

The priority tourism target markets for 2008-2012 are the following:

Demographic Market Segments

[DISCUSS UPDATES TO 2003-2007 LIST AT JUNE TAC MEETING]
ADD TO LIST?:

Geotourists

Ecotopians (seek natural, undeveloped experiences)

Geographic Market Segments

[DISCUSS UPDATES TO 2003-2007 LIST AT JUNE TAC MEETING, BASED ON ITRR, STR, AND TIA DATA]

INCLUDE IN PLAN INFO ABOUT
BRANDING, CURRENT STATE/REGION/
CVB MARKETING STRATEGIES?